

WA mine powers renewed interest in vanadium

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It's been a hard slog for WA's listed vanadium players since a dizzying rally in the price of the steel-hardening commodity went on a rapid retrace at the start of last year.

But with prices appearing to find support just above \$US6/lb in recent months, the metal could be set for a rebound as China looks to stimulate its economy from a COVID-led lull.

One vanadium stock that has enjoyed solid buyer interest in recent weeks is Technology Metals Australia, which is developing its flagship Gabanintha project 40km south of Meekatharra.

While vanadium has traditionally been used in the steel-making process, much of the renewed interest in TMT is associated with the potential for it to become a player in the battery market.

This week, the company pencilled in an agreement with a Chinese company that could lead to a vanadium redox flow battery manufacturing base being set up in Australia. Under a memorandum of understanding with Big Power, the two parties will investigate the idea as well as working to establish a binding offtake agreement covering 5000tpa of product from Gabanintha.

While MoUs are often considered the equivalent of corporate toilet paper, commercial deals have to start somewhere and

TMT has already converted one such agreement with China Nonferrous Metal Mining into a binding offtake covering 2000tpa.

That, along with a draft supply deal with China's Shaanxi covering 3000tpa, involves its vanadium being used for steel-making. But Big Power's primary interest is vanadium flow batteries, which it began researching in 2009 and has since deployed more than 20 units across Asia.

While lithium batteries have the mobile market captured, vanadium batteries have greater potential as stationary units that can store renewable energy on an industrial or even grid scale.

TMT boss Ian Prentice said he began investigating the potential for the company's vanadium to be used in batteries after laboratory

test work showed it could be produced at 99.5 per cent purity.

He believes Australia could offer a big market for vanadium flow batteries in future given the nation's huge potential to generate renewable energy.

The company's \$US318m (\$486m) Gabanintha project is expected to produce 12,800tpa of vanadium pentoxide over a 16-year mine life.

TMT is hoping to tap the Northern Australian Infrastructure Fund to help with the big upfront capital cost.

At an average feed grade of more than one per cent, Gabanintha would be one of the highest grade and biggest vanadium mines in the world.

TMT shares closed at 16.5¢ yesterday, up from just 6¢ at the end of March.